Weekly Economic Review

Earnings growth remains tepid

Average Weekly Earnings

Weak goods sector growth

Average weekly earnings (AWE) in Alberta were $1,162 in April, up 0.5% from March. Year-over-year growth was just 1.6% as earnings have been fairly flat since August 2014. The goods sector was responsible for much of the weakness in AWE growth, up only 0.3% y/y to $1648, as earnings fell 3.7% y/y in oil and gas and 2.8% in construction (Chart 1). Earnings growth in the service sector, up 3.0% y/y to $1011, has outpaced weak growth in the goods sector. Growth in services producing industries was led by the public sector, with earnings up 4.6% in education and 3.8% in health care.

Across Canada, earnings averaged $955, an increase of 2.5% y/y. Quebec led the provinces in growth at 4.5%.

Job vacancies

Unemployment outpaces vacancies

Alberta job vacancies averaged 35,100 over the three months ending in March, a 25% decline from the same period last year. The unemployment-to-job-vacancies ratio continued to rise sharply, jumping to 3.8, as the number of jobs available shrank, while the number of unemployed increased. The job vacancy rate, or proportion of positions that were unfilled, stayed at 1.8%.

Railcar Loadings

Railcar shipments slump

The number of railcars loaded in Western Canada during April was down 2.7% y/y, the first year-over-year drop since November 2014. Carloadings fell across a range of commodities, led by coal, which fell off substantially in the second half of last year, and was down 21.6% y/y. Last April saw a big increase in carloadings of agricultural products. They have since fallen with wheat down 5.3% and canola down 20%. The number of cars loaded with crude oil fell to the lowest level since October 2013, down 14.2% y/y.

Employment Insurance

Claims push up beneficiaries

In April, there were 27,570 Employment Insurance (EI) claims in Alberta, a decrease of 8.8% from March. Despite the monthly decline, there were still 10,190, or 59%, more claims than April 2014. The elevated levels of EI claims continued to push up the number of EI beneficiaries, which were up 11% to 43,930 in April, 13,070 more beneficiaries than April 2014, or 42%. Edmonton and Calgary, accounted for over 50%. The trades, transport and equipment operators and related occupations accounted for over one-third of the increase in EI beneficiaries, over double the next highest occupation share.

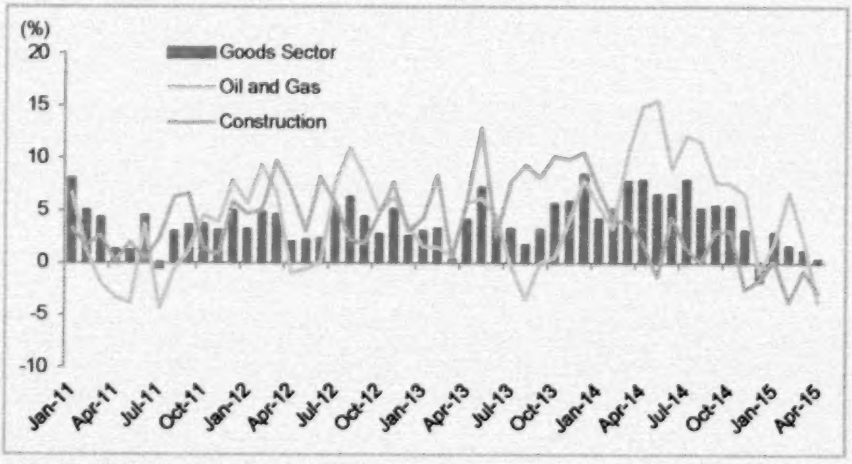
Wholesale Trade

Sales stabilize

After falling for three-straight months, Alberta wholesale trade in April was effectively unchanged from March at $6.9 billion. Sales were down 0.3% year-over-year, pulled down by machinery and equipment and motor vehicle wholesalers. The decline in machinery and equipment sales was entirely due to industrial machinery, which fell 18% y/y. The largest gains came from chemical and agricultural supplies wholesalers.

Chart 1: Construction and oil and gas earnings stifle growth

Year-over-year change in Alberta average weekly earnings



Sources: Statistics Canada

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Please see the *Alberta Economy- Indicators at a Glance* for a snapshot of Alberta indicators.